

South Carolina Board of Economic Advisors

Statement of Estimated Revenue Impact

Date: May 23, 2007

Bill Number: S.705

Author: Thomas

Committee Requesting Impact: Finance

Bill Summary

A bill to amend the code of laws of South Carolina, 1976, by adding Section 12-24-96 so as to provide that one percent of the state deed recording fee be remitted to each county treasury to be used by the office charged by law with recording deeds which must be used for certain purposes; and by adding Section 56-3-627 so as to provide that three percent of the basic state registration fee for motor vehicles be remitted to the county treasury and used exclusively by the county auditor for certain purposes.

REVENUE IMPACT ^{1/}

This bill would reduce General Fund deed recording fee revenue by \$961,656 and reallocate \$2,100,000, from the South Carolina Transportation Infrastructure Bank to the counties in FY 2007-08.

Explanation

Section 1 of this draft legislation would reallocate 1% of the state deed recording fee imposed pursuant to §12-24-90(B)(3) to the counties to be used for customer service, technology, training, and document preservation. The Board of Economic Advisors February 2007 estimate anticipates that \$96,165,598 will be collected and credited to the General Fund from the state deed recording fee. Therefore, we expect that Section 1 of legislation would reduce General Fund deed recording fee revenue by \$961,656 in FY 2007-08.

Section 2 of the draft legislation would reallocate 3% of the basic state registration fee for motor vehicles to the counties to be used for customer service, technology, training, and document preservation. Beginning in FY 2007-08, the entire \$24 biennial state registration fee along with all fees and penalties collected pursuant to Chapter 3 of Title 56 will be allocated the State Highway Account of the South Carolina Transportation Infrastructure Bank. Therefore, we expect Section 2 of the draft legislation would have no impact on the General Fund in FY 2007-08. Based on past collection history, we expect the counties and the Department of Motor Vehicles to collect \$70,000,000 in basic state registration fees in FY 2007-08. This legislation would reallocate 3%, or \$2,100,000, from the South Carolina Transportation Infrastructure Bank to the counties.

/s/WILLIAM C. GILLESPIE

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Analyst: Shuford

^{1/} This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact, or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.